

ACHIEVEMENT OF ECONOMIC GROWTH BY EFFECTIVELY USING BUSINESS CORPORATE GOVERNANCE

Orifi Djavoxiri Sherzodzoda

Master of MBA from Higher School of business and entrepreneurship

Abstract: The article presents scientific and practical proposals regarding the principles of corporate governance and its impact on the categories of economic growth.

Key words: Corporate governance, investments, bank, investor, capital.

Annotatsiya: Maqolada korporativ boshqaruv tamoyillari va uning iqtisodiy o'sish kategoriyalariga ta'siri borasidagi ilmiy va amaliy taklif keltirildi.

Kalit so'zlar: Korporativ boshqaruv, sarmoya, bank, investor, kapital.

Аннотация: В статье представлены научно-практические предложения относительно принципов корпоративного управления и его влияния на категории экономического роста.

Ключевые слова: Корпоративное управление, инвестиции, банк, инвестор, капитал.

The low level of corporate governance in the banking system of our country reduces the investment attractiveness of our banks. Foreign and national scientists and researchers are continuously conducting research on the development and improvement of corporate management practices in banks. Corporate governance as a field necessary for its importance and development of modern economy needs constant research and innovation. Creating an effective corporate management system not only improves the bank's management system, but also helps increase the trust of interested parties (stakeholders): investors, customers and shareholders. The future of the local banking system depends on the effectiveness of corporate management in the banking sector, which creates a criterion for increasing the level of confidence of investors in the country's banking system.

The successful operation of banks depends on various factors, the most important of which are competent management, transparency and the ability to attract capital for business development and expansion. These factors can be improved by applying corporate governance principles. At the same time, the greatest contribution of corporate governance to the performance of developing banks is to facilitate access to investment capital. The corporate management system of the bank directly affects the strategic planning and management system of the commercial bank. Corporate governance is a complex, multifaceted concept that reflects aspects of the bank's governance system and the relationship between shareholders and managers. In terms of its content, it is the organization of a system of control and regulation of the activities of bank managers on behalf of corporate management owners (investors), as well as other interested parties and groups. It is worth noting that in the banking system of our country, all opportunities are being used to accelerate the practice of corporate governance, the formation of a system of relations between management and shareholders determined by the norms of corporate governance. In the Decree of the President of the Republic of Uzbekistan dated May 12, 2020 "On the strategy of reforming the banking system of the Republic of Uzbekistan for 2020-2025" No. done. The role of effective corporate management in increasing the functional role of the banking system in the economy, attracting foreign investments and expanding the opportunities of banks to enter the international capital market was determined. The main problems of corporate management for the banking sector of our republic are related to the lack of experience in applying its principles, but also to the specific features of institutional development. In our opinion, according to the specific characteristics of the banking sector of our country, there are

specific views and problems regarding the improvement of corporate management in accordance with world standards:

Firstly, the low effectiveness of introducing corporate governance practices in the process of taking into account that more than 83% of commercial banks' charters belong directly or indirectly to the state and state rights are protected in the first place;

Secondly, insufficient development of the financial market, financial weakness of many of our banks, laziness in matters of selection and development of the corporate governance mechanism;

Thirdly, due to the fact that they do not understand the direct relationship between the increase in bank profitability and the level of corporate management in the bank, the desire of our commercial banks to introduce corporate management practices into their activities is low;

Fourth, lack of experts with financial or legal education to achieve quality corporate management in banks, which complicates effective management and leads to wrong decisions of bank management;

Fifth, the development of corporate governance in the banking sector is not implemented in a comprehensive manner, that is, the final goal of the reform and the superiority of each participant in the implementation of these reforms, as well as the responsibility for the implementation of these reforms, are not defined. In addition, in our country, the regulator's intervention in the activities of commercial banks remains very high, which may lead to controversial situations regarding who will make the final decision.

The organizational-economic mechanism of corporate management is the organizational factors that determine the interaction of management entities (corporate management bodies) participating in the management system of the corporation in making effective corporate decisions, as well as the economic impact of management entities on the effective operation of this corporation. It is a set of encryption methods, handles and forms. The organizational-economic mechanism of corporate management ensures effective communication between the company's management bodies, implementation of good corporate management that leads the company to economic efficiency with the help of management tools and methods. The main goal of the organizational-economic mechanism of corporate governance is the organizational (ensuring harmony of interests, increasing the effectiveness of decisions, improving corporate culture, achieving effective communication and cooperation) and economic (maximizing profits, investment) of the corporation in an inclusive manner by corporate governance bodies effective conduct and continuous improvement of the corporation's activities based on ensuring the achievement of the goals (increasing attractiveness, increasing the company's capitalization, increasing competitiveness). The main idea is that each body of corporate governance contributes to the efficient operation of the company by adhering to good corporate governance practices and influencing positive changes in certain economic indicators. Based on the results obtained during the research and the definition given above, we developed an organizational-economic mechanism of corporate management based on a systematic analysis and a complex conceptual approach. This mechanism is considered a conceptual model of theoretical-methodological importance, which includes the following elements: 1) elements of the organizational mechanism of corporate governance: - governance structure (which governance subjects (i.e., corporate governance bodies) are involved in corporate governance and shows how they interact and influence); - organizational measures and factors (indicates what organizational measures and factors should be implemented by each management entity in the effective organization of corporate management and effective decision-making); 2) elements of the economic mechanism of corporate management: - economic methods (shows what economic methods management subjects can use to

ensure the effective operation of the corporation); - economic levers (shows what economic levers management entities can use to influence the effective operation of the corporation); - forms of economic influence (indicates what types of documents economic influence can be exercised by management entities); - information supply (indicates what information is required for management subjects to use the methods, levers and forms of economic influence on the effective activity of the corporation); - economic efficiency assessment criteria (indicates on what criteria the economic efficiency of the corporation can be assessed and determined). 3) organizational and economic goals of the corporate governance mechanism: - organizational goals (goals intended to be achieved in the organization and implementation of good corporate governance in the corporation); - economic goals (goals intended to be achieved in ensuring sustainable economic growth and efficient operation of the corporation).

In conclusion, it can be said that all this serves as a basis for making sure that corporate governance in the banking sector of our country is at the initial stage. The question of the criteria and methods for assessing the achieved level of corporate governance in banks remains open, because currently there is no single approach to assessing the level of corporate governance in banks. In our opinion, the most important directions for improving the organizational structure of corporate management in banks are as follows: 1. Increasing transparency of business. It should be noted that the quality of disclosure of information about the company describes the level of readiness to communicate with all interested parties. In order to increase the transparency and openness of the company's activities, the following factors should be paid attention to: Firstly, companies should see the practice of involving international consulting companies (including the Big Four) in the implementation of corporate projects and programs in order to improve various processes in the company, to identify common problems. more application, widely covering the achieved results in the mass media. Secondly, to establish a communication mechanism with all interested party (stakeholder) groups, to maintain a lively communication policy by providing large-scale information about the company's activities. It can serve to establish trusting relations with shareholders, customers, partners and employees and transparency of the company's activities.

Thirdly, ensuring transparency in the supervisory board, the incentive system for executive management employees, and the dividend policy will serve to increase the interest of investors in the company's activities. Fourthly, it is necessary to ensure complete and high-quality information about their shareholders and activities on the websites of our companies. 2. Strengthening the role of the Supervisory Board. The supervisory board plays an important role in the corporate governance system: it sets strategic goals and makes important decisions for the company. However, there are major shortcomings of this institute in the activity of our companies, which is the nominality of the board members. The head of a state organization is designated as a board member of several companies. He cannot be involved in the activities of the company beyond the organization he heads. One of the success factors in the work of Jahan's board of directors is the involvement of professional experts. It is necessary to ensure that at least 30% of the composition of the supervisory board consists of independent members. 3. To put an end to the high concentration of capital. To create a system in which the number of minority shareholders in banks' shareholders should not be less than 20%, and the share of shares of one or several related groups of shareholders should not exceed 7-10%. For this, it is necessary to make changes to the relevant legislation. It is necessary to strengthen the practice of selling shares of banks, first of all, in the domestic market. 4. Creation of a modern treasury system. It is necessary to change the philosophy of treasury policy, that is, to create a system of income generation using various economic instruments, not just resource attraction. Before

concluding the above, first of all, it is necessary to emphasize the need to strengthen the interests of commercial banks by determining the advantages of introducing an effective corporate governance system in improving the corporate governance system. Managers of our largest commercial banks should understand that the level of investment attractiveness of our banks is not related to financial indicators, as before, but to the level of development of corporate culture and the quality of corporate management.

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